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**Consideration of reports on the work of the Standing Committee
Programme budgets, management, financial control
and administrative oversight**

Internal audit in the Office of the United Nations High Commissioner for Refugees for the period from 1 July 2017 to 30 June 2018

Report of the Office of Internal Oversight Services

Summary

This report provides an overview of the internal audit activities undertaken by the Office of Internal Oversight Services (OIOS), in respect of the Office of the United Nations High Commissioner for Refugees (UNHCR), covering the period from 1 July 2017 to 30 June 2018. It is provided pursuant to the decision of the Executive Committee to consider reports relating to programme and administrative oversight during its annual plenary session (A/AC.96/1003, para. 25(1)(f)(vi)).

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I. Introduction

1. This report provides an overview of the internal audit activities undertaken by the Office of Internal Oversight Services (OIOS), in respect of the Office of the United Nations High Commissioner for Refugees (UNHCR), during the period from 1 July 2017 to 30 June 2018. It is prepared for consideration during the sixty-ninth session of the Executive Committee of the High Commissioner's Programme, following consultation with the High Commissioner.

2. OIOS provides internal audit services to UNHCR in accordance with:

(a) General Assembly resolutions that pertain to the mandate, functions and operations of OIOS, which include but are not limited to resolutions 48/218B, 54/244, 57/287B, 59/272, 64/263 and 69/253;

(b) United Nations Financial Regulation 5.15;

(c) Article 12 of the Financial Rules for Voluntary Funds administered by the High Commissioner for Refugees (A/AC.96/503/Rev.10);

(d) Secretary-General's Bulletin ST/SGB/273 on the establishment of the Office of Internal Oversight Services; and

(e) A memorandum of understanding on internal audit services that OIOS provides to UNHCR signed by the High Commissioner and the Under-Secretary-General of OIOS on 5 March 2018.

3. In the conduct of its audit work, OIOS adheres to the mandatory guidance issued by the Institute of Internal Auditors. The guidance includes the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the International Standards for the Professional Practice of Internal Auditing, and the Definition of Internal Auditing.

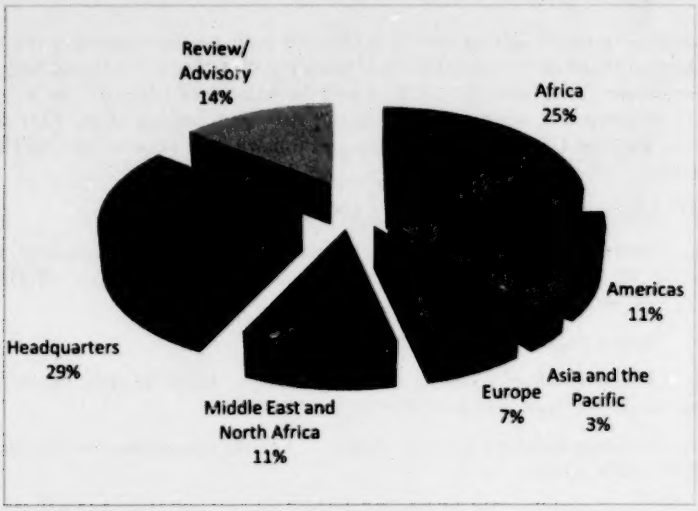
4. The General Assembly resolution that established OIOS called for it to be operationally independent. In addition, according to the International Standards for the Professional Practice of Internal Auditing, an internal audit function should have appropriate and sufficient resources to effectively achieve its mandate and implement its workplan. During the reporting period, there were sufficient resources and no inappropriate interference in determining the scope of internal auditing, in performing the work, and/or in communicating the results that would have impeded the independence of the OIOS internal audit function at UNHCR.

II. Overview of results

A. Audit coverage

5. OIOS completed 28 engagements during the reporting period (see annexes I, II and III). Figure 1 below shows the audit coverage of engagements by region and theme.

Figure 1 – Reports issued from 1 July 2017 to 30 June 2018 by region and theme



B. Audits of headquarters functions, thematic areas, and information and communications technology

6. OIOS completed eight headquarters, thematic and information and communications technology (ICT) audits during the reporting period, which are listed in annex I.

7. The reports for these audits contained 5 critical recommendations as well as 39 important recommendations. Brief summaries of the key results from these audits are provided below.

Audit of education grant entitlements

8. OIOS conducted an audit of education grant entitlements covering expenditure of $52.5 million and identified numerous errors in the processing of claims that had led to overpayments or underpayments. Since the audit also identified potentially fraudulent payments amounting to $275,448, there was an urgent need to enhance staff skills and strengthen procedures for identifying fraud indicators in education grant claims. In addition, there was a need to: (a) strengthen monitoring of the timely submission of claims and recovery of advances; (b) improve monitoring of education grant travel processes; and (c) ensure that proper scrutiny of education grant claims is not hindered by incomplete and inaccurate information provided by staff and difficulties to verify and confirm relevant information directly with the educational institutions. As at 30 June 2018, UNHCR had implemented one of the seven recommendations made.

Audit of shelter programmes

9. An audit of shelter programmes covering expenditure of $516 million concluded that capacity and knowledge management on settlement and shelter matters were generally adequate, and cluster management and coordination arrangements were satisfactory. However, UNHCR needed to: (a) clarify the scope of the Global Settlement and Shelter Strategy, strengthen monitoring of the quality and standards of country-level shelter strategies, and reinforce the capacity of field operations to conduct shelter needs

assessments; (b) enhance focus on urban shelter solutions in the strategic planning of shelter, and develop guidance and tools on the implementation of the "master plan" approach launched; (c) provide guidance on the construction and technical monitoring of shelter activities; (d) monitor and support the implementation of fire risk mitigation measures in Refugee Housing Unit shelters installed; and (e) enhance performance monitoring and reporting on settlement and shelter. As at 30 June 2018, UNHCR had implemented one of the five recommendations made.

Audit of the proGres version 4 registration and case management system

10. In the audit of the proGres version 4 registration and case management system covering expenditure of $19.6 million, OIOS concluded that there was a critical need to ensure adequate monitoring and reporting of the proGres version 4 project deliverables against the project scope, budget and timelines for the remainder of the project to prevent further cost overruns and delays. UNHCR also needed to conduct a gap analysis between system requirements and business needs; review the project roles and responsibilities; enhance user and performance acceptance testing; finalize and formally endorse the proGres version 4 global deployment strategy; strengthen planning and data migration procedures for the deployment of proGres version 4; and enhance user support and prioritization of proGres version 4 development needs. As at 30 June 2018, UNHCR had implemented one of the six recommendations made.

Audit of arrangements for staff accommodation

11. OIOS conducted an audit of staff accommodation covering expenditure of $9.8 million and rental income of $7.9 million. UNHCR had a well-articulated global vision, goals and objectives for staff accommodation but lacked action plans, monitoring controls and adequate funding to implement them. Currently, staff accommodation was not always sufficiently adequate to ensure the well-being of staff in field operations. There was an urgent need for UNHCR to: (a) revisit the governance and management accountability arrangements for staff accommodation; and (b) develop an action plan to ensure that field operations meet or exceed the minimum standards on living conditions. In addition, UNHCR needed to improve monitoring and control arrangements over the development and implementation of repair and maintenance plans and the execution of rental agreements with users, as well as strengthen controls over the accounting and reporting of rental income and expenditure related to staff accommodation. As at 30 June 2018, UNHCR had not yet fully implemented any of the five recommendations made but had initiated action to carry them out.

Audit of the Regional Bureau for Europe

12. The OIOS audit of the Regional Bureau for Europe, covering expenditure of $18.5 million, concluded that the Regional Bureau had effective controls over strategic planning and performance monitoring, and noted that it had initiated the revision of its organizational structure. However, it needed to strengthen arrangements over emergency preparedness and response, and its management support, monitoring and oversight role across the region. As at 30 June 2018, UNHCR had implemented two of the three recommendations made.

Audit of the use of telecommunication devices and telecommunication expenditure control and billing

13. OIOS conducted an audit of the use of telecommunication devices and telecommunication expenditure control and billing, covering expenditure of $42.3 million. UNHCR's Division of Information Systems and Telecommunications (DIST) had

established adequate arrangements for monitoring service delivery against contract terms for mobile and fixed line telephony, and successfully initiated the implementation of cost-saving measures in mobile telephony, which resulted in expenditure reduction in 2017. However, there was a need for DIST to: (a) review and update the UNHCR mobile and fixed line telephony policy; (b) improve controls over the allocation of telecommunication devices; (c) strengthen controls over the use of data roaming; (d) put in place a mechanism for timely verification of calls; and (e) establish effective arrangements for monitoring the use of official phones, including recovery of cost for private usage. As at 30 June 2018, UNHCR had not yet fully implemented any of the five recommendations made but had initiated action to carry them out.

Audit of the adequacy of the network bandwidth

14. The OIOS audit of the adequacy of the network bandwidth, covering expenditure of $24.0 million, concluded that UNHCR had established a process to assess the bandwidth capacity requirements in field operations and to monitor network performance. However, UNHCR needed to ensure that: (a) the guidance on the establishment of per capita bandwidth allocation is revised; (b) DIST plays a central role in bandwidth capacity planning, procurement and management for field operations; (c) monitoring of bandwidth usage is improved; (d) network optimization processes are implemented in locations where establishing quality of service is not feasible; and (e) there is adequate coordination between DIST and UNHCR's Division of Human Resources Management (DHRM) to provide internet connectivity at staff accommodation provided by UNHCR. As at 30 June 2018, UNHCR had not yet fully implemented any of the five recommendations made but had initiated action to carry them out.

C. Audits of field operations

15. OIOS completed 16 audits of UNHCR field operations during the reporting period, which are listed in annex II.

16. The reports for these audits covered expenditure totalling $1.3 billion and included 83 recommendations, of which 6 were rated as critical and 77 rated as important.

Systemic issues in audits of field operations

17. In the 16 audits of field operations completed in the reporting period, OIOS identified systemic issues in two primary areas. In partnership management, 13 recommendations were made in an equal number of audits. Two of these recommendations were assessed as critical. A recurrent control weakness in all of these 13 cases related to monitoring of projects implemented by partners. In vendor management and procurement, OIOS made 12 recommendations, two of which were critical, in 12 field audits. The recurring weaknesses related to: vendor registration in 9 cases, the functioning of the committees on contracts in 8 cases; and transparency and competitiveness of the procurement processes in 8 cases. Many of the recurrent issues in partnership management and vendor management and procurement have been raised by OIOS systematically in previous years and reported to management and governing bodies. OIOS therefore highlights how important it is that UNHCR management address the root causes of these weaknesses.

Assessment of the implementation of Enterprise Risk Management in audits of field operations

18. During the reporting period, OIOS systematically reviewed the field operations' implementation of the Enterprise Risk Management (ERM) framework launched by UNHCR in August 2014. Assessments were conducted during each audit, and the results

were included in the audit report on each field engagement. The objective of formal assessments was to provide information on the overall maturity of ERM in field operations and to draw lessons from it. OIOS noted that all the field operations audited in 2017 were generally complying with the ERM framework. However, the effectiveness of ERM processes was affected as such processes were not prioritized in most cases. This was because risk registers were viewed as a separate product as opposed to a management tool for actively identifying and managing risks that would impede the achievement of strategic and operational objectives. Risk management was not embedded in but viewed as an "add-on" to day-to-day management responsibilities of Representatives. The operations' inability to maintain up-to-date risk registers may have an effect on the timely identification and mitigation of risks. In order to embed ERM processes, OIOS was of the view that UNHCR's monitoring and review mechanisms should evolve from compliance to assessing the effectiveness of the established ERM processes. This will help move UNHCR from ERM compliance to a culture where the risk registers become an active management information and decision-making tool.

D. Review and advisory engagements

19. OIOS completed two review and two advisory engagements during the reporting period, which are listed in annex III. The reviews of recurrent issues raised in past audits of field operations contained six important recommendations. In advisory engagements, OIOS did not make any recommendations but highlighted areas for improvement. Brief summaries of the key results from these engagements are provided below.

Review of recurrent issues in monitoring and follow-up on accounts receivable in field operations

20. OIOS conducted a review of recurrent issues in monitoring and follow-up on accounts receivable, covering 20 internal audit reports on UNHCR's field operations which were issued between 1 January 2011 and 31 December 2016. To address the underlying institution-level root causes of recurrent control weaknesses, UNHCR needed to: (a) design a tool or template to assist regional bureaux in providing effective support to field operations and oversight over the management of receivables, and to support field operations in taking informed decisions on follow-up on accounts receivable and when to proceed with a write-off; (b) update and simplify the field guidelines on value added tax (VAT) with a focus on the essential detective and corrective controls that need to be followed consistently and systematically, including for record-keeping and reporting to Headquarters, to manage the recovery of VAT; and (c) strengthen central monitoring and reporting on reimbursement of VAT by host government. As at 30 June 2018, UNHCR had not yet fully implemented any of the three recommendations made but was in the process of carrying them out.

Review of recurrent issues in the distribution of non-food items in field operations

21. OIOS conducted a review of recurrent issues in the distribution of non-food items covering 67 internal audit reports on UNHCR's field operations, which were issued between 1 January 2014 and 31 December 2016. To address the underlying institution-level root causes of recurrent control weaknesses in the distribution of non-food items, UNHCR needed to strengthen management and accountability over non-food item distribution at Headquarters and in the field by: (a) developing a standard end-to-end process document for planning, delivery, monitoring and post-distribution monitoring of non-food item distribution with clear minimum criteria; (b) strengthening risk management over the distribution of non-food items by developing a catalogue of critical risks and potential mitigations; and (c) assigning accountabilities, responsibilities and authorities at

the Headquarters level for the distribution of non-food items. As at 30 June 2018, UNHCR had not yet fully implemented any of the three recommendations made but had initiated corrective action on them.

Advisory review of the implementation of the Enterprise Risk Management policy and procedures (framework)

22. OIOS conducted an advisory engagement on the status of the implementation of the ERM framework, covering the period after the entry into force of the ERM policy on 1 August 2014 until 30 June 2017. Three years after its adoption, the ERM framework was firmly in place and had gained acceptance, although it was yet to fully permeate through the organization. There was further scope for improving the ERM framework as UNHCR becomes more risk mature over time. OIOS identified 12 areas for improvement under four key themes. First, with respect to the governance of ERM, OIOS suggested clarifying the senior management role in discussing risks and the ERM framework. Second, regarding the management of strategic risks, OIOS suggested improving the information and analysis presented to senior management on strategic risks and disseminating widely the insights from this information. Third, on the management of risks at the division, bureau and field level, OIOS suggested strengthening the link between risk management and the operations management cycle, clarifying the role of regional bureaux in relation to risk management in field operations and sharing regularly and widely management information derived from ERM. Fourth, OIOS suggested some improvements on the functioning of the risks registers.

Advisory review of the implementation of risk management and control responsibilities of the second line of defence

23. OIOS conducted an advisory engagement on the review of the implementation of risk management and control responsibilities of the entities considered part of the second line of defence at UNHCR. In the review, OIOS made five suggestions, which, in its opinion, should be considered during UNHCR's ongoing change management process. These included: (a) clarifying the performance and compliance monitoring responsibilities of the second line of defence entities, and developing annual, risk-based monitoring plans at the regional level, led by regional bureaux; (b) formalizing functional reporting lines in the implementation of second line of defence responsibilities; and (c) designing the future organizational structure of UNHCR with due regard to the "three lines of defence" model that it has adopted.

E. Other ad hoc and informal advisory services

24. During the reporting period, OIOS provided ad hoc advisory and capacity development services to UNHCR as and when requested by headquarters entities or field offices. These related to various matters, such as governance, ethics, accountability, fraud prevention, ERM, internal control, results-based management, and policy development.

25. OIOS also conducted a training in March 2018 for staff of DHRM on detecting fraud in education grant claims in March 2018, participated in a regional workshop on cash-based interventions, and gave a presentation on relevant internal audit issues at a workshop on the management of the partnership process.

III. Status of implementation of recommendations

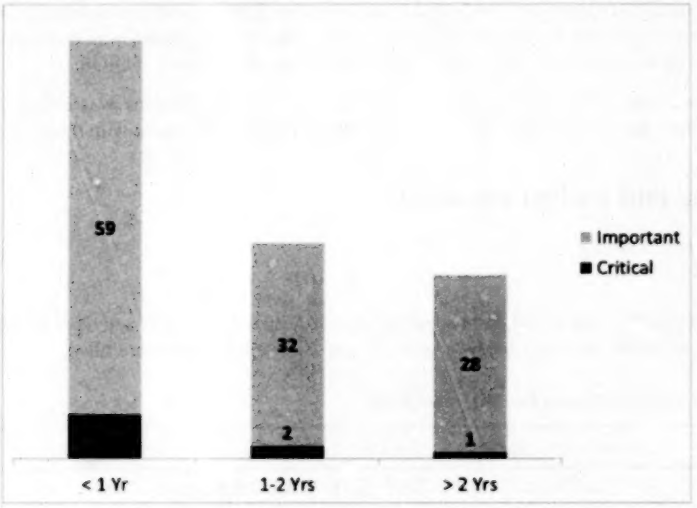
A. Overview of the reporting period

26. OIOS issued 133 recommendations for the 28 audits completed, out of which 122 (92 per cent) were important and 11 (8 per cent) were critical. The breakdown of the recommendations by audit report is provided in annexes I, II and III.

B. Overview of open recommendations

27. At the end of the reporting period, 129 recommendations were open, of which 119 were important and 10 were critical. Their ageing is shown in figure 2 below.

Figure 2 – Age and classification of open recommendations as at 30 June 2018



28. During the reporting period, the number of open recommendations decreased from 138 as at 30 June 2017 to 129 as at 30 June 2018.

29. A total of 29 open recommendations were over two years old at the end of the reporting period. A list of the audits which were the source of these recommendations is provided in annex IV.

C. Past due critical recommendations

30. Annex V provides details of the seven critical recommendations, the implementation of which was overdue, together with the last update on the progress made to date. OIOS is particularly concerned about one recommendation from the 2013 audit of UNHCR operations in Afghanistan relating to the recovery of overpaid project support costs of an international partner which amounted to $291,075. The recommendation is past its due date by almost four years without a new target date for completion provided by UNHCR.

D. Overview of closed recommendations

31. During the year, 149 recommendations were closed, all of which were fully implemented.

IV. Work planning

32. Annual risk-based workplans, covering the period 1 January to 31 December, were prepared for 2017 and 2018 in accordance with the risk-based process of OIOS. The selected engagements were discussed with UNHCR management to validate and confirm the areas identified for audit. OIOS also held discussions with the United Nations Board of Auditors (BOA), the Joint Inspection Unit (JIU), UNHCR's Evaluation Service and UNHCR's Inspector General's Office (IGO) as a way of minimizing duplication and optimizing oversight coverage. The draft workplan was also discussed with the Chief Risk Officer, the Head of the Ethics Office, the Ombudsperson, and the Head of Legal Affairs Service.

33. UNHCR's Independent Audit and Oversight Committee (IAOC) reviewed the 2018 work planning process and proposed engagements. The final workplan was endorsed by the High Commissioner and approved by the Under-Secretary-General of OIOS.

34. The status of the engagements in the 2017 and 2018 workplans was reported to UNHCR management on a quarterly basis and was periodically discussed with the IAOC.

V. Staffing and budget resources

A. Staffing

35. OIOS had a total of 26 posts approved and dedicated to UNHCR activities for 2017 and 2018, as shown in table 1 below. As at 30 June 2018, all 26 posts were filled.

Table 1 – Approved posts for 2017 and 2018

Location	*Geneva*		*Nairobi*		*Amman*		*Budapest*		*Total*	
Type of staff/ Year	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018
Professional	9	9	6	6	3	3	4	4	22	22
General Service	3	3	1	1	--	--	--	--	4	4
Total	12	12	7	7	3	3	4	4	26	26

B. Budget

36. Table 2 below shows the budgets provided for internal audit for 2017 and 2018.

Table 2 - Internal audit budgets for 2017 and 2018

Cost category	*2017*[1]	*2018*
Staff costs	$4,811,923	$4,962,000
Non-staff	$763,248	$878,533
Total	$5,575,171	$5,840,533

VI. Cooperation and coordination

A. Independent Audit and Oversight Committee

37. OIOS attended the two IAOC meetings held during the reporting period to discuss risk-based work planning, workplan implementation and audit process matters in general. The IAOC was encouraged by efforts being made to build the capacity of OIOS in auditing programmatic and protection areas. The IAOC also noted with appreciation the analyses developed by OIOS in its reports and advisory opinions, with which it fully concurred. The IAOC took specific note of the value of the OIOS advisory engagements conducted.

38. OIOS is highly appreciative of the IAOC's support of its internal audit work and welcomed all recommendations of IAOC during the year regarding internal audit at UNHCR.

B. UNHCR management

39. During the reporting period, OIOS met regularly with the High Commissioner, the Deputy High Commissioner, the two Assistant High Commissioners and the Chef de Cabinet to discuss matters relating to audit and oversight. OIOS also met with Directors of regional bureaux and divisions and Representatives on different occasions to discuss the timing, scope and objectives of, and issues arising from, specific audit and advisory engagements. Periodic meetings were held with the Controller, the Chief Risk Officer, the Head of the Ethics Office, the Head of Organizational Development and Management, the Principal Policy Adviser in the Executive Office, and the Director of Change Management on matters of mutual interest.

C. UNHCR Inspector General's Office

40. OIOS's interface on internal audit matters at UNHCR was for many years managed by the Division of Financial and Administrative Management (DFAM). As part of UNHCR's oversight reform, this interface was transferred to the IGO as of 1 August 2017. As a result of this arrangement, OIOS has taken over the responsibility of coordinating the internal audit process, which previously lied with DFAM, including: (a) working more

[1] In the report on internal audit in UNHCR for the period from 1 July 2016 to 30 June 2017 (A/AC.96/1170), the internal audit budget for 2017 indicated was $5,190,433. However, the figure shown in table 2 is $5,575,171, as there was an increase in the allotment for staff costs ($234,716) and non-staff costs ($150,022) in the last quarter of 2017.

closely with UNHCR managers of the audited operations, bureaux or divisions; and (b) monitoring the tracking, follow-up and reporting on internal audit recommendations. The IGO has assumed liaison responsibilities and provides administrative support to OIOS. OIOS has found that the new arrangements are working well and continuing to improve over time.

41. OIOS and the IGO met regularly during the reporting period to explore synergies and ways to improve information-sharing. Issues that arose during audits requiring investigation were referred to the IGO's Investigation Service for follow-up. Regarding previous referrals, OIOS periodically followed up with the IGO on the outcome of these referrals to ensure any internal control weaknesses identified are reviewed in future audits.

42. In addition, following the recommendations outlined in the report "Review of the Oversight Functions in UNHCR" by an external consultant engaged by UNHCR, consultative meetings continued to take place between OIOS and the IGO. Close cooperation resulted in the revision of the memorandum of understanding on the provision of internal audit services by OIOS to UNHCR. OIOS also worked closely with the IGO in the development of online training programmes on audit and oversight matters and the creation of the IGO's new Strategic Oversight function as part of an initiative towards a more integrated internal oversight architecture and assurance mapping at UNHCR. The IGO supported OIOS in designing and updating risk-based audit tools. The IGO also assisted in the organization of the annual retreat of the UNHCR Audit Service of OIOS held in April 2018 and facilitated numerous meetings held with the audit focal points in UNHCR's bureaux and divisions to discuss changes resulting from the oversight reform.

D. United Nations oversight bodies

43. OIOS met regularly with the BOA and the JIU to share information and minimize overlap in oversight activities. OIOS routinely shared workplans with the BOA and the JIU, notified them of audits during the planning stage, and provided them with copies of final reports.

44. OIOS also participated actively in the work of the Representatives of Internal Audit Services of the United Nations Organizations and Multilateral Financial Institutions (RIAS) and attended the annual RIAS meeting in The Hague, which took place in September 2017. It also participated in a RIAS working group that explores ways of strengthening joint and coordinated audits of the response of the United Nations system to humanitarian emergencies.

VII. Professional practices development

45. To further enhance its work and capacity to deliver high quality impactful audits, OIOS continued to provide tools, practice guides and training in the areas of fraud auditing, performance auditing, data analytics, gender mainstreaming and risk culture. In order to guide the information and communications technology audit direction for UNHCR, a roadmap for information and communications technology auditing was developed for the 5-year period of 2018-2023. A programme was also designed to strengthen the capacity of internal audit staff in relation to audit of protection systems and procedures at UNHCR.

Annex I

Final reports issued from 1 July 2017 to 30 June 2018: headquarters functions, thematic areas, and information and communications technology

	Report number	*Assignment title*	*Date of final report*	*Important recommendations*	*Critical recommendations*
1	2017/070	Audit of information and communications technology security at the Office of the United Nations High Commissioner for Refugees	19-Jul-17	8	0
2	2017/119	Audit of arrangements for staff accommodation in field operations of the Office of the United Nations High Commissioner for Refugees	17-Nov-17	3	2
3	2017/124	Audit of the management of education grant entitlements at the Office of the United Nations High Commissioner for Refugees	01-Dec-17	5	2
4	2017/127	Audit of arrangements to ensure the adequacy of the network bandwidth in field operations of the Office of the United Nations High Commissioner for Refugees	06-Dec-17	5	0
5	2017/150	Audit of shelter programmes at the Office of the United Nations High Commissioner for Refugees	20-Dec-17	5	0
6	2018/021	Audit of the proGres version 4 registration and case management system at the Office of the United Nations High Commissioner for Refugees	29-Mar-18	5	1
7	2018/042	Audit of the arrangements for the use of telecommunication devices and telecommunication expenditure control and billing at the Office of the United Nations High Commissioner for Refugees	15-May-18	5	0
8	2018/068	Audit of the Regional Bureau for Europe for the Office of the United Nations High Commissioner for Refugees	29-Jun-18	3	0
			Total	39	5

Annex II

Final reports issued from 1 July 2017 to 30 June 2018: Field operations

	Report number	*Assignment title*	*Date of final report*	*Important recommendations*	*Critical recommendations*
1	2017/067	Audit of the operations in Chad for the Office of the United Nations High Commissioner for Refugees	12-Jul-17	6	0
2	2017/068	Audit of the operations in Somalia for the Office of the United Nations High Commissioner for Refugees	14-Jul-17	5	3
3	2017/096	Audit of the operations in Zimbabwe for the Office of the United Nations High Commissioner for Refugees	27-Sep-17	5	0
4	2017/098	Audit of the operations in India for the Office of the United Nations High Commissioner for Refugees	27-Sep-17	5	0
5	2017/103	Audit of the operations in Cameroon for the Office of the United Nations High Commissioner for Refugees	29-Sep-17	5	1
6	2017/105	Audit of the operations in Jordan for the Office of the United Nations High Commissioner for Refugees	17-Oct-17	4	0
7	2017/108	Audit of the regional operations for Central Europe in Hungary for the Office of the United Nations High Commissioner for Refugees	24-Oct-17	4	0
8	2017/116	Audit of the operations in Tunisia for the Office of the United Nations High Commissioner for Refugees	13-Nov-17	8	0
9	2017/151	Audit of the operations in Ecuador for the Office of the United Nations High Commissioner for Refugees	22-Nov-17	1	0
10	2017/149	Audit of the regional operations for South Caucasus in Georgia for the Office of the United Nations High Commissioner for Refugees	19-Dec-17	6	0
11	2018/003	Audit of the operations in the Republic of the Congo for the Office of the United Nations High Commissioner for Refugees	01-Feb-18	4	1
12	2018/005	Audit of the Regional Representation for Southern Africa for the Office of the United Nations High Commissioner for	02-Feb-18	7	1

	Report number	*Assignment title*	*Date of final report*	*Important recommendations*	*Critical recommendations*
		Refugees			
13	2018/016	Audit of the operations in northern Iraq for the Office of the United Nations High Commissioner for Refugees	22-Mar-18	6	0
14	2018/033	Audit of the regional operations for Latin America in Argentina for the Office of the United Nations High Commissioner for Refugees	27-Apr-18	5	0
15	2018/036	Audit of the operations in Brazil for the Office of the United Nations High Commissioner for Refugees	10-May-18	1	0
16	2018/049	Audit of the operations in Sudan for the Office of the United Nations High Commissioner for Refugees	25-May-18	5	0
			Total	77	6

Annex III

Final reports issued from 1 July 2017 to 30 June 2018: Review and advisory engagements

	Report number	*Assignment title*	*Date of final report*	*Important recommendations*	*Critical recommendations*
1	2017/097	Review of recurrent issues in internal audit reports on the distribution of non-food items in field operations of the Office of the United Nations High Commissioner for Refugees	27-Sep-17	3	0
2	2017/115	Advisory review of the implementation of the Enterprise Risk Management policy and procedures at the Office of the United Nations High Commissioner for Refugees	02-Nov-17	0	0
3	2017/157	Review of recurrent issues in internal audit reports on the monitoring and follow-up on accounts receivable in field operations of the Office of the United Nations High Commissioner for Refugees	29-Dec-17	3	0
4	2018/048	Advisory review of the implementation of risk management and control responsibilities of functions considered part of the second line of defence at the Office of the United Nations High Commissioner for Refugees	25-May-18	0	0
			Total	6	0

Annex IV

Recommendations open for more than two years as at 30 June 2018

Assignment number	*Report title*	*Report date*	*Important recommendations*	*Critical recommendations*	*Total recommendations*
AR2011/165/01	Audit of private sector fundraising at the Office of the United Nations High Commissioner for Refugees	18-Dec-12	1	0	1
AR2012/112/03	Audit of the operations in Ethiopia for the Office of the United Nations High Commissioner for Refugees	25-Mar-13	1	0	1
AR2012/112/02	Audit of the operations in Uganda for the Office of the United Nations High Commissioner for Refugees	27-Mar-13	1	0	1
AR2013/131/01	Audit of the operations in Iraq for the Office of the United Nations High Commissioner for Refugees	30-Dec-13	1	0	1
AR2013/141/03	Audit of the operations in Afghanistan for the Office of the United Nations High Commissioner for Refugees	30-May-14	1	1	2
AR2013/113/01	Audit of the operations of the Regional Office in South Africa for the Office of the United Nations High Commissioner for Refugees	27-Jun-14	1	0	1
AR2013/111/04	Audit of the operations in Niger for the Office of the United Nations High Commissioner for Refugees	30-Jun-14	1	0	1
AR2013/162/01	Audit of the management of the affiliated workforce at the Office of the United Nations High Commissioner for Refugees	30-Jun-14	1	0	1
AR2013/161/01	Audit of the delegation of authority framework at the Office of the United Nations High Commissioner for Refugees	18-Sep-14	1	0	1
AR2014/112/01	Audit of the Regional Support Hub in Kenya for the Office of the United Nations High Commissioner for Refugees	30-Dec-14	2	0	2
AR2014/115/03	Audit of the operations in Chad for the Office of the United Nations High Commissioner for Refugees	11-Jun-15	1	0	1
AR2014/161/01	Audit of the arrangements for official travel at headquarters and in field operations of the Office of the United Nations High Commissioner for Refugees	01-Sep-15	5	0	5
AR2015/166/01	Audit of information and communication technology hosting services provided by third parties to the Office of the United Nations High Commissioner for Refugees	30-Sep-15	1	0	1
AR2014/160/03	Audit of the arrangements for implementing partner personnel costs at the Office of the United Nations High Commissioner for	26-Oct-15	2	0	2

Assignment number	*Report title*	*Report date*	*Important recommendations*	*Critical recommendations*	*Total recommendations*
	Refugees				
AR2015/162/01	Audit of entitlements on appointment, reassignment and separation of staff at the Office of the United Nations High Commissioner for Refugees	24-Nov-15	3	0	3
AR2015/141/02	Audit of the operations in Thailand for the Office of the United Nations High Commissioner for Refugees	10-Dec-15	1	0	1
AR2015/141/05	Audit of the operations in Iran (Islamic Republic of) for the Office of the United Nations High Commissioner for Refugees	17-Dec-15	1	0	1
AR2015/113/01	Audit of the operations in Zambia for the Office of the United Nations High Commissioner for Refugees	24-Mar-16	1	0	1
AR2015/163/02	Audit of water, sanitation and hygiene programmes at the Office of the United Nations High Commissioner for Refugees	28-Mar-16	1	0	1
AR2015/112/02	Audit of the operations in South Sudan for the Office of the United Nations High Commissioner for Refugees	18-May-16	1	0	1
Total number of recommendations open for over two years			28	1	29

Annex V

Past due critical recommendations

Assignment number	*Assignment title*	*Recommendation*	*Last update*	*Report date*	*Target date*	*New estimated completion date*
AR2013/141/03	Audit of the operations in Afghanistan for the Office of the United Nations High Commissioner for Refugees	The UNHCR Representation in Afghanistan, in conjunction with the Bureau for Asia and the Pacific, should: (a) undertake a review of the project implemented by the partner to ascertain the extent to which project objectives were achieved and whether value for money was obtained; and (b) review payments made to the partner, in the context of the deliverables actually provided, and recover any payments that are considered to be excessive.	In May 2015, UNHCR stated that the Controller had sent a letter to the partner's Regional Office with a copy to its Headquarters with regards to the amount claimed. The partner responded to the letter by email on 7 April 2015 by again objecting to the claim. UNHCR then requested the partner to provide a reply to the Controller's letter by the designated officer in the partner's Headquarters and, in addition, asked the partner to provide clear documentation to substantiate the direct cost charged over and above the budget. No update has been provided to OIOS since that date.	30/05/2014	30/09/2014	Not provided
AR2016/110/05	Audit of the operations in Ethiopia for the Office of the United Nations High Commissioner for Refugees	The UNHCR Representation in Ethiopia, in coordination with the Bureau for Africa and the Supply Management and Logistics Service, should: (a) arrange for a comprehensive, independent review to be conducted to assess the structural, staffing and training requirements needed to address the systemic and persistent weaknesses in procurement and vendor management; and (b) develop a plan for completing the ongoing actions to regularize contracts and review past payments made for goods and services without contracts.	In their June 2018 reply, the Representation provided an update on the current status of contract regularization. In order to close the recommendation, OIOS would like to receive evidence that the contract regularization has been completed and that a comprehensive review of procurement and vendor management functions raised in the 2016 audit has been finalized.	15/03/2017	30/04/2017	Not provided
AR2016/110/05	Audit of the operations in Ethiopia for the Office of the	The UNHCR Representation in Ethiopia, in coordination with the Bureau for Africa and the Asset and Fleet Management Section, should review the arrangements over fleet	In their June 2018 reply, the Representation confirmed that the disposal of obsolete items had been institutionalized. Coordination with Headquarters had been strengthened to expedite	15/03/2017	30/04/2017	Not provided

Assignment number	*Assignment title*	*Recommendation*	*Last update*	*Report date*	*Target date*	*New estimated completion date*
	United Nations High Commissioner for Refugees	and fuel management in Ethiopia to ensure the implementation of appropriate controls over the determination of vehicle needs, disposal of vehicles, vehicle insurance schemes, and allocation and utilization of vehicles, and fuel and maintenance costs among partners and UNHCR offices.	the processes. The 2018 fleet planning was done through analysis of available data for both Administration and Programme Vehicles (i.e. vehicles allocated to partners). To close the recommendation, OIOS would like to receive evidence that the Representation has determined the size of its fleet based on documented operational requirements and that the rate of disposal of the fleet has been expedited.			
AR2017/111/02	Audit of the operations in Somalia for the Office of the United Nations High Commissioner for Refugees	The UNHCR Representation in Somalia should implement an action plan to ensure that: (a) risks associated with the selection and retention of partners, the designation of procurement authority to partners, the preparation of Project Partnership Agreements, and the monitoring of partners, including through remote mechanisms, are effectively managed; and (b) there is sufficient project control capacity to provide support for oversight of project activities.	In their April 2018 reply, the Representation provided an update on the recommendation, which was still in the process of being implemented. In order to close the recommendation, OIOS would like to receive confirmation that: (a) the cost-benefit analysis and assessment of partners' capacity to deliver has been systematically conducted; (b) monitoring plans for all 2018 project agreements have been signed by partners; and (c) the action plan to strengthen project control capacity has been implemented.	13-Jul-17	31-Jul-17	Not provided
AR2017/111/04	Audit of the operations in Cameroon for the Office of the United Nations High Commissioner for Refugees	The UNHCR Representation in Cameroon should put in place adequate coordination mechanisms and management oversight arrangements to ensure that the requirements for selection and retention of partners, the conclusion of project partnership agreements, the procurement designated to partners, and the financial and performance monitoring, including follow-up on recommendations raised in project audits and recovery of partner receivables, are systematically complied and the associated risks are effectively managed.	In June 2018, the Representation provided an update on the recommendation and the actions taken. To close this recommendation, OIOS would like the Representation to provide the assessments of designating procurement to partners for every partner entrusted with significant procurement, and evidence of a system implemented for follow-up on project audit recommendations, including for the recovery of questionable expenditure.	29-Sep-17	31-Dec-17	Not provided
AR2017/162/02	Audit of the	The UNHCR Division of Human Resources	In their June 2018 reply, DHRM provided an	1-Dec-17	30-Jun-18	Not

Assignment number	*Assignment title*	*Recommendation*	*Last update*	*Report date*	*Target date*	*New estimated completion date*
	management of education grant entitlements at the Office of the United Nations High Commissioner for Refugees	Management should: (a) use the ongoing deliberations on the harmonization of human resources policies and procedures United Nations-wide as an important opportunity to align UNHCR instructions and practices on education grant with those of the United Nations Secretariat and other United Nations system organizations; and (b) seek legal opinion on recovery of the payment of $52,270 incorrectly disbursed in contravention of the United Nations Staff Regulations and administrative issuances.	update on the actions taken to implement the recommendation. Upon review of the submission, OIOS closed recommendation 1(a). However, to close recommendation 1(b), OIOS would like to receive a copy of the legal opinion from the Legal Affairs Service on the recovery of the amount of $52,270.			provided
AR2017/163/01	Audit of the proGres version 4 registration and case management system at the Office of the United Nations High Commissioner for Refugees	The UNHCR proGres v4 team should strengthen the proGres v4 project governance by: (a) providing regular reports to the Information and Communications Technology Governance Board, highlighting significant variances in relation to deliverables and expenditure versus scope, timelines and budget, with adequate reasoning on the deviations; and (b) requesting a decision from the Board on the way forward in case of significant variances.	In their June 2018 reply, UNHCR provided an update on actions taken on the recommendation. The recommendation remains open pending receipt of evidence that the regular updates provided to the Information and Communications Technology Governance Board highlight significant deviations to the projects.	29-Mar-18	30-Jun-18	Not provided

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Item 5 of the provisional agenda
Consideration of reports relating to programme and administrative oversight and evaluation

Report on activities of the Inspector General's Office

Report of the High Commissioner

Summary

This report covers the work of the Inspector General's Office for the period from July 2017 through June 2018. It is provided pursuant to the decision of the Executive Committee of the High Commissioner's Programme to consider reports relating to programme and administrative oversight and evaluation during its annual plenary session (A/AC.96/1003, para. 25(1)(f)(vi)). The Executive Committee has further requested that "summary reports covering inquiries and the main categories of investigations, the number of such types of investigation, the average time taken to complete investigations and a description of related disciplinary action" regularly be made available (A/AC.96/1021, para. 24(e)).

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I. Introduction

1. This report outlines activities undertaken by the Inspector General's Office (IGO) from July 2017 to June 2018 and also provides an update on developments related to management and reform.

II. Management

A. Reform

2. During the reporting period, a number of significant changes took place concerning the IGO's structure, roles, responsibilities and relationship with other oversight entities, inside and outside UNHCR. These occurred as a result of the 2016 external review of UNHCR's oversight functions and the recommendations subsequently endorsed by the High Commissioner. The review called for the rationalization of UNHCR's oversight functions in order to maximize efficiency and to strengthen coherence and coordination among the different oversight entities. Significant progress has been achieved concerning the implementation of the recommendations, with the majority having been completed by the end of June 2018.

1. Internal audit function

3. Several of the recommendations pertained to the internal audit function, provided to UNHCR by the United Nations Office of Internal Oversight Services (OIOS). While maintaining its independence, the internal audit function needed to be better integrated into UNHCR's overall oversight architecture so as to ensure optimal outcomes. Thus, the following measures were taken:

- The internal audit interface was transferred from the Division of Financial and Administrative Management (DFAM) to the IGO on 1 August 2017.

  Impact: Audit processes were simplified, roles and responsibilities were clarified, and contact improved between senior management and internal auditors. A new memorandum of understanding between UNHCR and OIOS was signed in March 2018 reflecting these changes.

- Through improved collaboration between the IGO, the OIOS UNHCR Audit Service and the Division of International Protection, risk-based audit tools for auditing protection systems and processes were developed and updated, and two Senior Protection Officers from UNHCR were seconded to the OIOS UNHCR Audit Service to assist on selected audit engagements.

  Impact: The capacity of internal audit staff to audit protection systems and processes was strengthened, and the staff seconded from UNHCR will gain important transferable knowledge and skills in audit, risk management and internal controls.

- Three online training programmes on the changes arising from the oversight reforms were developed and launched by the IGO, with the support of the OIOS UNHCR Audit Service, DFAM and UNHCR's Global Learning Centre.

  Impact: The understanding, knowledge and skills of UNHCR managers and staff in audit matters have been enhanced.

- Closer coordination was established between members of the Senior Executive Team and senior management together with the IGO and the OIOS UNHCR Audit Service on oversight matters.

  Impact: Improved understanding of oversight activities and findings, earlier communication of emerging risks, and improved management response.

2. Mapping of risk management and control processes

4. The external review recommended that the Office undertake a comprehensive mapping of its risk management and control processes to ensure there were no gaps or duplication. UNHCR adopted a model of "three lines of defence"[1] in July 2017, in line with a decision of the United Nations High-Level Committee on Management. The OIOS UNHCR Audit Service was then commissioned to conduct an advisory review on the functioning of UNHCR's second line of defence, which was undertaken in collaboration with the IGO, senior management, the regional bureaux and divisions, and regional offices. The report was published in May 2018, and the conclusions are being taken into account in the ongoing headquarters review. UNHCR will assess the effectiveness and functioning of the first and third lines of defence at a later stage.

3. Internal Compliance and Accountability Committee

5. The IGO reviewed the purpose, responsibilities and membership of the Internal Compliance and Accountability Committee (ICAC). Subsequently, it recommended that the ICAC responsibilities be assumed by the Senior Management Committee through strategic meetings with a specific focus on oversight. The High Commissioner accepted the recommendation and dissolved the ICAC in July 2017. The first strategic oversight meeting took place in January 2018, where the IGO presented the key findings of its recent work for the attention and action of management.

4. New Strategic Oversight Service and planning tool

6. Several recommendations contained in the review related to the discontinuation of standard inspections, the transfer of new functions to the IGO and improving knowledge of overall oversight activities and findings. In August 2017, through existing resources, the IGO established a new Strategic Oversight Service. Its key responsibilities include: strengthening organization-wide response to oversight findings; facilitating the coherence of oversight functions; and strengthening the IGO's oversight capacity and profile. It also provides secretariat services to the Independent Audit and Oversight Committee (IAOC), acts as focal point for the Joint Inspection Unit of the United Nations System (JIU), and undertakes inquiries into events that could directly impact or pose a serious risk to the organization's mandated responsibilities and reputation.

7. In order to facilitate a holistic view of critical control issues and related recommendations, monitor their implementation and facilitate strategic analysis and the identification of areas of vulnerability, the external review recommended the introduction of a common data management platform. The first phase of the project is complete with the development of a low-cost tool to collect and analyse oversight planning data from OIOS and other relevant internal entities. The second phase of the project, which is expected to

[1] The first line of defence relates to operational management, including through programme support; the second line to monitoring and compliance, mainly exercised by the regional bureaux and divisions at Headquarters; and the third line to internal oversight, including internal audit, investigation and evaluation.

be completed in 2019, entails the development of data management capability to collect and analyse data on oversight findings and implementation.

5. New oversight policy

8. A new oversight policy is being developed by the IGO in collaboration with the OIOS UNHCR Audit Service, the Evaluation Service and several other internal entities. It will articulate the over-arching framework for different internal and external oversight functions, while also clarifying the role of the Inspector General. An updated administrative instruction on investigations is also underway. Both documents are expected to be issued by year end.

B. Collaboration

9. Partnerships are essential for the IGO to be able to effectively carry out its work. Efforts were undertaken to improve partnerships internally and with external entities, with particular emphasis on those facing similar operational challenges. In the case of the Uganda investigations (see paras 33-36 below), close cooperation with the World Food Programme (WFP) ensured effective coordination of activities on the ground and a harmonized approach towards common partners. Cooperation agreements were pursued with the Department for International Development (DFID) of the United Kingdom of Great Britain and Northern Ireland, the Global Fund, the European Anti-Fraud Office (OLAF), the United States Agency for International Development (USAID), the United States Department of State and WFP, while one was already signed with the International Organization for Migration (IOM). The IGO also plays a key role in the United Nations Network of Investigators, as well as in the Syria Investigations Working Group, which brings together key donors and agencies actively engaged in responding to the Syria situation.

10. Within UNHCR, the IGO worked closely with the Executive Office and senior management, sharing investigation findings and recommendations with a view to strengthening internal controls and risk mitigation systems. It also systematically collaborated with the Division of Human Resources (DHR) (formerly the Division of Human Resources Management) and the Legal Affairs Service (LAS) on the transmission of cases for disciplinary proceedings, and with the Ethics and the Ombudsman's Offices on dispute resolution and the preparation of an administrative instruction on protection against retaliation. Cases of fraud by the organization's implementing partners were regularly referred to DFAM, and fraud by vendors to the Division of Emergency Security and Supply (DESS). The IGO also worked closely with the Division of External Relations, including the Donor Relations and Resource Mobilization Service on donor assessments, agreements and reporting, and the Communications and Public Information Service in response to media enquiries. Collaboration was also enhanced with OIOS in relation to the provision of internal audit services, and with the Evaluation Service in order to ensure complementarity of actions. The IGO also supported the Enterprise Risk Management (ERM) unit in the conceptualization of the new risk management 2.0 initiative aimed at strengthening risk mitigation across the organization.

C. Strengthening the Inspector General's Office

1. Additional resources

11. Since 2016, the Investigation Service has been engaged in several investigations in Kenya. To support these investigations, additional capacity in the form of three

supplementary investigators and one support staff in Nairobi was approved for 2017 and the first nine months of 2018.

12. In response to the rising number of complaints of misconduct and the renewed efforts to prevent and respond to sexual exploitation and abuse, and sexual harassment, additional resources were received to strengthen and reinforce the IGO's investigative capacity for 2018-2019. Four new positions were created: two investigators in Pretoria, one investigator to support the Intake Unit in Bangkok to assess the rising number of misconduct complaints, and a Reporting Officer in Geneva to respond to the increasing reporting requirements of the IGO. With these positions, the IGO is better able to respond to such complaints, while ensuring that other types of serious misconduct continue to be properly investigated, and meet the reporting obligations.

13. Resources pertaining to the internal audit services provided by OIOS, including the funds needed to cover a Senior Oversight Associate position, were transferred from DFAM to the IGO's budget control in August 2017, together with the resources required for the provision of support to the IAOC.

2. Professionalization

14. The Investigation Service continued to professionalize its staffing through the reclassification of a position at Headquarters from Senior Investigation Officer to Senior Investigation Specialist. A position of Business Intelligence Analyst was also filled.

15. The capacity of the Investigation Service was further supplemented by two consultants for three months to conduct proactive investigations into UNHCR-led construction projects.

16. With the creation of the Strategic Oversight Service, a new Senior Oversight Officer expert position was also filled. The incumbent brings to UNHCR expertise and experience in audit, investigations and risk management from international organizations and the private sector.

3. Training

17. The IGO encourages its staff to undertake professional development through training and participation in conferences and workshops. Staff from the IGO participated in training on digital forensics and attended an IKEA workshop on organizational culture, values and ethics, a conference on preventing fraud and corruption in international and non-profit organizations, and the eighteenth Conference of International Investigators and several meetings of the United Nations Representatives of Investigative Services (UN-RIS).

D. Senior management positions

18. The Head of Strategic Oversight (a D-1 position) joined the organization in May 2018. He brings to UNHCR a wealth of relevant experience and knowledge in audit, combined assurance, governance and oversight from the private sector and non-governmental organizations (NGOs).

E. Management tools

19. Management implication reports are issued by the Inspector General for the attention of executive and senior management. They are an important aspect of UNHCR's ERM practices as they highlight systemic weaknesses, flaws and gaps revealed in the course of

conducting investigations. Furthermore, they contain recommendations and include requirements for implementation and reporting.

20. During the reporting period, 15 management implication reports were issued by the Investigation Service, up from 9 issued last year. They addressed programme and financial management, administration, asset management and procurement issues. The compliance rate for recommendations from management implication reports is 100 per cent.

III. Strategic oversight

A. General

21. The Strategic Oversight Service was established in August 2017 and was fully staffed by the end of May 2018, following the external recruitment of two experts at the P-4 and D-1 levels. The team is comprised of expertise from audit, oversight, investigation, operations and protection.

22. During the reporting period, the Strategic Oversight Service participated in the IGO annual planning processes and contributed to regular and ad hoc reports. It monitored the implementation of oversight recommendations, contributed risk and control expertise to two management reviews, developed collaboration with OIOS and provided support to the IAOC and the JIU. The Service worked in close collaboration with the Ethics Office, the Evaluation Service and the Enterprise Risk Management unit and drew in its analyses from the work of relevant oversight bodies, including the JIU, the United Nations Board of Auditors, the OIOS UNHCR Audit Service and the Evaluation Service.

B. Follow-up on outstanding inspection recommendations

23. The Strategic Oversight Service worked with the regional bureaux and operations to close seven inspection compliance cycles which were open at the time of the High Commissioner's announcement to suspend standard inspections, as recommended by the external review. The only remaining open inspection, which is expected to be closed by year end, concerns UNHCR's Regional Representation in West Africa.

C. Collaboration with the Joint Inspection Unit of the United Nations System

24. The IGO continued to closely collaborate with the JIU, contributing to its programme of work for 2017 and 2018. During the second half of 2017, UNHCR provided its response to draft JIU reports on seven system-wide reviews. During the first half of 2018, the JIU commenced six system-wide reviews, out of a total of eight reviews planned for 2018. UNHCR provided feedback on the terms of reference and questionnaires related to all reviews. In close coordination with relevant headquarters entities, the IGO provided updates to the JIU which resulted in the closure of a number of recommendations issued to UNHCR between 2011 and 2016. UNHCR's acceptance and implementation rates continue to be among the highest of JIU participating organizations.

D. Support to the Independent Audit and Oversight Committee

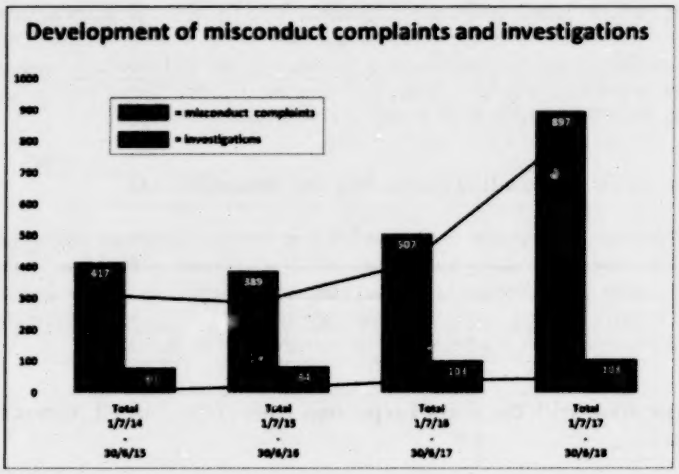
25. The Independent Audit and Oversight Committee (IAOC) Secretariat was transferred from DFAM to the Strategic Oversight Service in 2017. Secretariat services

were provided to three IAOC sessions. The Secretariat also coordinated the recruitment of three new committee members who will start in 2018, and two who will start in 2019 to replace members whose tenures were coming to an end. In the coming months, support will be provided to orient the new members.

IV. Investigations

A. Caseload and reporting

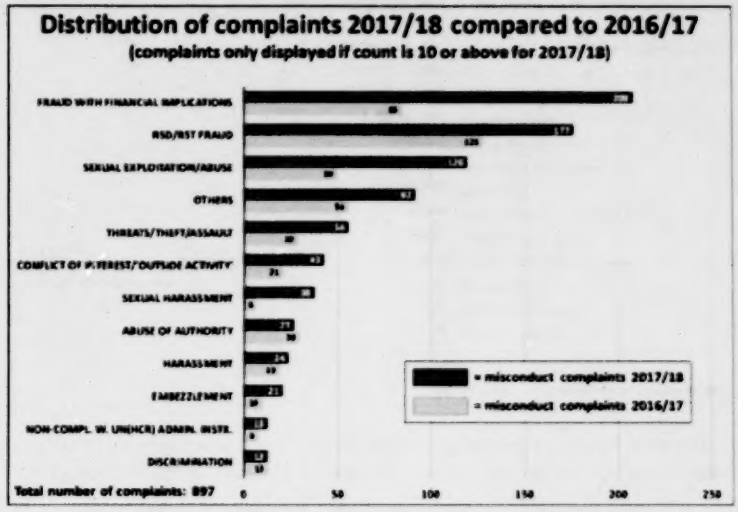
26. During the reporting period, the IGO registered 897 misconduct complaints. As shown in the chart below, the number of misconduct complaints increased from 507[2] in 2016-2017 to 897 in 2017-2018, representing an increase of 77 per cent. While the reasons for this increase continue to be analysed, likely explanations include: improved awareness of internal reporting mechanisms; increased media attention on certain types of misconduct which has raised awareness and encouraged people to come forward; strong internal messaging from senior management; and growing confidence in the organization's ability to respond, including through the professionalization and strengthening of the Investigation Service.



27. The breakdown of the type of complaints of misconduct for 2017-2018 with a comparison to 2016-2017 is set out in the chart below. The highest number of misconduct complaints (209 representing 23 per cent) related to fraud with financial implications. The second highest number of misconduct complaints (177 representing 20 per cent) related to refugee status determination and resettlement fraud, and the third highest number (120 representing 13 per cent) related to sexual exploitation and abuse. The three top categories remained the same as in 2016-2017, although fraud with financial implications surpassed refugee status determination and resettlement fraud as the highest category. The chart also demonstrates a significant increase in all three main categories, particularly fraud

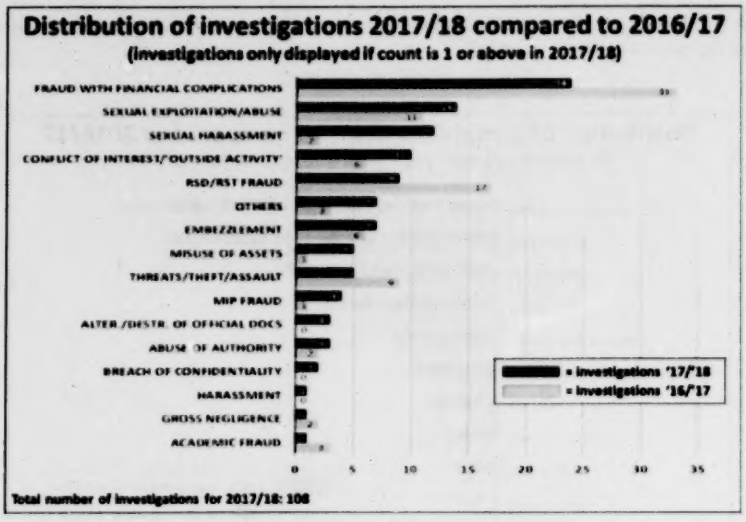
[2] Some of the figures have been modified from the previous report on activities of the Inspector General's Office (A/AC.96/1171 of 24 July 2017) due to a reassessment of individual complaints.

with financial implications, and sexual exploitation and abuse increased more than two-fold from the previous reporting period.



28. During the reporting period, 108 new investigation cases were opened. The breakdown of the type of investigations for 2017-2018, with a comparison to 2016-2017, is set out in the chart below. The highest number of investigations (24) related to fraud with financial implications. The second highest number of investigations (14) related to sexual exploitation and abuse, and the third highest to sexual harassment (12).

29. During the reporting period, 104 investigations were completed, implicating 126 individuals in alleged misconduct. The cases of 65 members of UNHCR personnel were transmitted to the Division of Human Resources (DHR) for further action, including with respect to disciplinary measures. Fifty-eight per cent of the 65 cases are currently pending completion of the disciplinary process, 20 per cent resulted in dismissal or separation following the completion of the disciplinary process, 8 per cent resulted in other disciplinary actions following the completion of the disciplinary process and 14 per cent resulted in other administrative actions being taken by DHR. Owing to serious security concerns, there were significant challenges to completing the disciplinary process in some of the cases and in relation to referrals to national authorities. However, three cases involving credible allegations of criminal conduct were referred to the respective national authorities during the reporting period. Out of 104 completed investigations, 9 relating to implementing partner staff and contractors were substantiated and were referred to DFAM and DESS for further action. The remaining cases were closed as the complaints could not be substantiated or were unfounded.



30. The ratio between misconduct complaints (897) and investigations (108) increased considerably during the reporting period. This can be explained by the following:

(a) An investigation is only opened when the initial assessment indicates that the alleged matter could amount to misconduct, the information is reported in good faith and is sufficiently detailed, and when it is likely that an investigation would reveal sufficient evidence to pursue the matter as a disciplinary case.

(b) The considerable increase in misconduct complaints (77 per cent) requires that the Investigation Service consider the criticality of the complaint when deciding whether it is escalated into a formal investigation. Misconduct complaints that can be dealt with through managerial interventions are referred to management.

(c) The significant increases in sexual exploitation and abuse, and sexual harassment complaints have impacted the processing of other investigations as they are complex and resource intensive, and normally require immediate action. During the reporting period, approximately 40 per cent of the finalized investigation cases were not processed within the desired timeline of six months.[3]

(d) Several investigators are heavily engaged in responding to increasing reporting requirements by donors and multiple requests for information by the media, undertaking outreach activities and a variety of policy initiatives, and participating in task forces.

31. The above factors have had a negative impact on key performance indicators for the processing of misconduct complaints and investigations, and the Investigation Service has not been able to consistently meet its reporting requirements to donors as set out in donor agreements. In recognition of these challenges, four new positions were approved for the IGO, which are currently advertised.

[3] This statement relates to the first half of the reporting period (June-December 2017) as it is only possible to report on the second half (January-June 2018) at the end of 2018, when the six month period has lapsed.

32. The IGO conducted several resource-intensive investigations into complaints of misconduct in Kenya. In Kakuma, one additional UNHCR staff member was found to have committed misconduct by accepting bribes from refugees for services which they were entitled to receive free of charge, and for intimidating refugees and UNHCR personnel; this brought the total number of staff members found to have committed misconduct to six. Out of the six, two resigned, three were dismissed following the completion of the disciplinary process, and disciplinary proceedings are pending in one case. To date, four staff members have been referred to national law enforcement authorities in Kenya, while the other cases are pending referrals in light of consideration of serious security concerns. In Dadaab, several investigations were conducted into similar complaints. Complaints were substantiated against four staff members and disciplinary proceedings are currently ongoing, while two investigations are still pending.

33. Investigations were also opened by the IGO in Uganda. These concern fraud with financial implications, theft, and sexual exploitation and abuse by UNHCR and partner personnel. The IGO and UNHCR Uganda are also assisting the Ugandan Government and police in their own investigations into corruption by government officials relating to, among others, irregularities in land allocation to refugees, bridge construction, theft of food and non-food items and fuel mismanagement. The IGO is closely collaborating with WFP, implementing partners, NGOs and relevant donor counterparts in a mutual effort to address alleged misconduct as swiftly as possible.

34. The IGO recently opened investigations into resettlement fraud in Khartoum, Sudan, and the investigations are ongoing.

35. The investigations in Kenya and Uganda provided many lessons learned for the IGO and for the Office, resulting in reviews of internal procedures, particularly in high-risk locations. The investigations highlighted serious implications with respect to witnesses and UNHCR staff, requiring greater support for them, particularly refugee witnesses. In response to these challenges and in collaboration with management, the IGO developed a witness support protocol. However, the organization continues to face challenges concerning witness intimidation and is pursuing its efforts to further strengthen the approach to encourage witnesses to come forward. The Investigation Service also tested a joint investigative approach during the Kenya investigations, supplementing investigation specialists with subject matter experts from various divisions in UNHCR. This approach proved effective as it pooled resources and skills, and ensured flexibility. Reporting to member States on investigations was identified as needing improvement. The IGO is chairing a task force with representatives of DFAM, Division of External Relations, LAS and UNHCR Kenya to review current practice and make recommendations to management.

36. The Uganda investigations also demonstrated the importance of collaboration with United Nations agencies, government authorities, operational partners and donors. The Inspector General, together with her counterpart from WFP, travelled on a joint mission to Uganda and attended meetings together with government authorities, donors and partners, allowing for a harmonized approach, better information-sharing and more efficient investigations.

B. Protection from sexual exploitation and abuse, and sexual harassment

37. The IGO undertook a number of activities to strengthen detection and response to sexual exploitation and abuse, and sexual harassment, both internally and at the inter-agency level. Internally, the IGO provided technical advice and support to a wide range of efforts to further improve UNHCR's responses in these areas. For example, it worked closely with the recently appointed Senior Coordinator dealing with issues related to sexual exploitation and abuse, and sexual harassment to prepare a new prevention and response

strategy; participated in dedicated workstreams on protection from retaliation, and protection of witnesses and victims; and took part in several panels to increase awareness around these issues. Seeking to further improve organizational practices and procedures on sexual exploitation and abuse, an external review will take place in 2018 which will also look at related investigation procedures. Externally, the IGO collaborated with actors such as the United Nations Special Coordinator on Improving the United Nations Response to Sexual Exploitation and Abuse, the Inter-Agency Standing Committee and UN-RIS to improve the quality and timeliness of such investigations.

38. The IGO received a total of 120 complaints of sexual exploitation and abuse, which is an increase of 140 per cent from 2016-2017. The increase was expected in light of the significant efforts taken by the organization to raise awareness around this issue, including the importance of reporting such incidents. Out of these, 65 complaints had sufficient information to investigate further, as the complaint was against an identified or identifiable victim. Twenty-two complaints related to UNHCR personnel and 43 concerned UNHCR partners.

39. After review of the 65 complaints, the IGO opened 16 investigations, closed 3 complaints at the intake level and referred 24 complaints to UNHCR implementing partners for action. Twenty-two complaints are still under assessment by the IGO. Of the 16 investigations that were opened, complaints were substantiated in 2 cases, 9 are ongoing, and 5 were closed as the complaints could not be substantiated or were unfounded. Of the 65 complaints, 47 originated from sub-Saharan Africa, 12 from the Middle East and North Africa, 1 from Europe, 1 from Asia and the Pacific, and 4 from Latin America.

40. Complaints of sexual harassment also increased significantly in 2017-2018, with a total of 38 complaints received compared to 6 in 2016-2017 during the same reporting period. The majority of the complaints were received following the global movement against sexual harassment and assault, as well as due to UNHCR's increased focus and outreach in this area.

C. Proactive investigation work

41. Due to the increased workload of the Investigation Service, only one pro-active investigation was undertaken during the reporting period, which looked into UNHCR-funded construction activities in five country operations. The findings were communicated in management implication reports to relevant units and senior management.

D. Partnerships

42. The IGO undertook several investigations concerning complaints of fraud committed by UNHCR's partners. The incidents of fraud varied in complexity and magnitude. The IGO conducted a desk review of some of the key cases, which included root cause analysis and lessons learned. The report on these investigations was shared with senior management for their attention and action.

43. To strengthen the capacity of NGO partners to investigate complaints of misconduct of their own staff, four workshops were organized. In addition to building their investigative capacity, the workshops proved useful in raising general awareness around fraud and sexual exploitation and abuse, as well as how to receive and address such complaints.

E. Fraud prevention

44. In order to improve fraud awareness throughout the organization, several presentations about the work of the IGO were delivered to staff, primarily in field locations where investigations had been undertaken. The IGO trained over 100 UNHCR personnel in 5 duty stations. Given the importance of prevention, the IGO will continue to further develop its outreach to staff.

F. Ad hoc inquiries

45. No ad hoc inquiries were initiated by the Inspector General during the reporting period.

V. Conclusion

46. The reporting period was marked by the consolidation of oversight reforms in UNHCR. While nearly all of the oversight recommendations concerning the IGO have been implemented, the few remaining are expected to be completed by the end of 2018 or in 2019. Through these reforms, and with the strong support of management, the IGO has made significant progress in improving its capacity and capabilities to support the High Commissioner and the Executive Committee in ensuring accountability to the persons UNHCR serves.

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Consideration of reports relating to programme and administrative oversight and evaluation

Report on evaluation

Report of the High Commissioner

Summary

This report, covering the period from July 2017 through June 2018, is provided pursuant to the decision of the Executive Committee of the High Commissioner's Programme to consider reports relating to programme and administrative oversight and evaluation during its annual plenary session (A/AC.96/1003, para. 25.1.(f)(vi)).

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I. Introduction

1. In 2017 and 2018, UNHCR made concerted efforts to equip a strong, independent and effective evaluation function.[1] These efforts reflect the High Commissioner's renewed focus on evaluation as a powerful tool to promote accountability to stakeholders, including Member States, donors and persons of concern, and to build a learning organization.[2] Last year, UNHCR presented a five-year Evaluation Strategy,[3] with the following objectives: i) increasing evaluation coverage and quality; ii) improving the timeliness, relevance and utilization of evaluation findings; iii) building capacity to undertake and use evaluations; and iv) strengthening an evaluation function that is linked to other complementary functions, such as oversight, strategic planning, monitoring, data and analytics, and results-based management (RBM).

2. The dedicated Evaluation Service is independent and its work is informed by Evaluation Strategy and the 2018 annual workplan.[4] This is the first year that UNHCR has placed an annual Evaluation Service workplan in the public domain. The workplan includes both centralized and decentralized evaluations, and focuses on critical strategic areas able to provide much-needed evidence to improve UNHCR's strategies and programmes, and increase effectiveness. The evaluation topics were selected and prioritized based on information and discussion sessions, including with UNHCR's leadership, a field survey, as well as individual meetings with staff from country offices, regional bureaux and divisions.

3. All UNHCR evaluations are designed in line with the key evaluation principles of independence, impartiality, credibility and utility.[5] Evaluations are undertaken by external individual consultants or firms and managed by the Evaluation Service in close collaboration with relevant regional bureaux, divisions and country offices. All evaluations and reviews are placed in the public domain and include management responses for each evaluation.

II. Evaluation Service programme of work

4. Between July 2017 and June 2018, the Evaluation Service completed eight evaluations and initiated an additional 15 evaluations, which included strategic priority areas, such as: i) emergency response; ii) protection and operational delivery, including the prevention and response to sexual and gender-based violence (SGBV) and cash-based interventions; iii) critical programming areas with medium and long-term prospects for persons of concern to UNHCR, such as livelihoods, resettlement and the humanitarian-development nexus; iv) UNHCR's advocacy, partnerships and inter-agency cooperation; and v) key organizational effectiveness and performance areas. This represents a significant increase in the coverage of evaluations when compared to previous years. Table 1 below provides an overview of evaluations.

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[1] See www.unhcr.org/evaluation-and-research.html.

[2] This is outlined in the UNHCR (2016) Evaluation Policy. See www.unhcr.org/3d99a0f74.

[3] Available from www.unhcr.org/research/eval/5a93c8637/unhcrs-evaluation-strategy.html.

[4] Available from www.unhcr.org/research/eval/48ef4ba02/policy-development-evaluation-service-pdes-approved-work-programme.html.

[5] See the United Nations Evaluation Group (UNEG) Norms and Standards for Evaluation, www.unevaluation.org/document/detail/1914.

Table 1: Overview of completed, ongoing and planned evaluations

Evaluations	Countries concerned	Completion
Completed evaluations		
Centralized		
Relevance and effectiveness of the implementation of three of UNHCR's protection strategies (i.e. the Global Education Strategy, the Updated Strategy on Action against SGBV and the Framework for the Protection of Children)	Chad/India/Jordan/Kenya/ Lebanon/Malaysia/Niger/ Pakistan/Uganda/ Zambia	Jul-17
Relevance and effectiveness of the Ukraine country programme (2015-2016)	Ukraine	Sep-17
Effectiveness of UNHCR's leadership of the global protection cluster and field protection clusters (2014-2016)	Afghanistan/Democratic Republic of the Congo/Honduras/ Nigeria/Pakistan/ Philippines/South Sudan	Oct-17
Evaluation of scaling down of UNHCR's presence in Angola, Botswana and Namibia	Angola/Botswana/Namibia	Jun-18
Decentralized		
Effectiveness of the quality integration project in the United Kingdom of Great Britain and Northern Ireland	United Kingdom of Great Britain and Northern Ireland	Jul-17
Evaluation synthesis of cash-based interventions in Jordan	Jordan	Dec-17
Evaluation of refugee response of UNHCR and partners in the White Nile State, Sudan	Sudan	Jun-18
Impact of livelihoods programming in Benin	Benin	Jun-18
Impact of livelihoods programming in Chad	Chad	Jul-18
Current evaluations		
Centralized		
Effectiveness and cost-effectiveness of the global fleet management programme	Chad/Colombia/Kenya/Lebanon	Sep-18
Progress report on the comprehensive refugee response framework	14 countries applying the comprehensive refugee response framework	Q2/Q3-18
Longitudinal evaluation of the humanitarian-development nexus	Ethiopia/Honduras/Jordan/Niger	Annual reports: 2019, 2020 Final report: 2021
Evaluation of the first year of the level-3 emergency response in Bangladesh	Bangladesh	Q4-18

Evaluations	Countries concerned	Completion
Evaluative review of UNHCR's policies and procedures on the prevention and response to sexual exploitation and abuse	To be determined	Nov-18
Impact and effectiveness of UNHCR's global livelihoods strategies and approaches	Costa Rica/Ghana/India/Rwanda/Turkey	Dec-18
Evaluation of the level-3 emergency response in the Democratic Republic of the Congo	Democratic Republic of the Congo	Dec-18
Utility and relevance of current data and information management approaches	Pakistan/Sudan/Syrian Arab Republic/ Regional Office in the Americas	Mar-19
Decentralized		
Evaluation of our livelihoods programmes in Guinea	Guinea	Aug-18
Evaluation of effectiveness of the protective transfer agreements for refugees in Central America	Costa Rica/El Salvador/Guatemala/Honduras	Sep-18
Effectiveness of UNHCR's prevention and response programming on SGBV	Lebanon	Sep-18
Relevance and effectiveness of communication and advocacy efforts in Europe	Austria/Germany/Greece/Ireland/ Sweden/United Kingdom of Great Britain and Northern Ireland	Sep-18
Impact of cash-based interventions on protection/long-term outcomes and lessons learned from pivot/transition to livelihoods in Greece	Greece	Oct-18
Effectiveness of training programmes on cash-based interventions	Non applicable	Oct-18
Planned evaluations		
Centralized		
Effectiveness of approaches and strategies deployed by the Global Learning Centre to build staff capacity	To be determined	Q1 2019
Relevance and effectiveness of our engagement with the private sector	To be determined	Q1 2019
Decentralized		
Effectiveness of UNHCR's prevention and response programming on SGBV	Brazil	Dec-18
Effectiveness of the Kalobeyei Integrated Social and Economic Development Programme	Kenya	Q2 2019
Effectiveness of cash-based interventions	To be determined	Q1 2019

III. Emerging lessons from completed and ongoing evaluations

5. Findings and recommendations from UNHCR evaluations are discussed with staff and management at various points during the evaluative process. The process of conducting an evaluation therefore requires close collaboration and engagement with relevant offices and teams. Debriefings and workshops provide opportunities for immediate course corrections and shifts in programming. At the organizational level, these lessons are also incorporated into ongoing work related to implementation of the comprehensive refugee response framework (CRRF), follow-up to the "grand bargain" commitments and other significant efforts carried out to address forced displacement challenges. Below are a few emerging lessons from evaluations.

6. *Emergency response*: The decentralized evaluations that have been concluded – the Ukraine country operations and the response in the White Nile State in Sudan – and the ongoing centralized evaluations of the Bangladesh and the Democratic Republic of Congo level-3 emergencies are yielding findings and recommendations. These are being used to improve how UNHCR provides protection, improves reception and admission, undertakes registration as well as delivers assistance.

- The evaluation of UNHCR's operations in Ukraine, where the Office declared a level-2 emergency in January 2015 and where it co-leads the protection and shelter clusters, was conducted in close collaboration with the Regional Bureau for Europe and completed in 2017. The evaluation generated useful lessons learned on UNHCR's performance in the context of an inter-agency humanitarian response to large-scale internal displacement and concluded that UNHCR's objectives and strategies for persons of concern were both relevant and appropriate. The evaluation also found that UNHCR's accountability to affected populations was improving but that further efforts were necessary. It recommended that UNHCR adopt a longer term vision for the pursuit of development goals benefitting internally displaced persons and strengthen cooperation with a range of development actors. This recommendation was accepted for follow-up action by UNHCR's management.

- The evaluation of the response in the White Nile State of Sudan was commissioned in March 2018 in order to generate lessons learned and identify examples of good practice. It also aimed to support improvements to the ongoing refugee response in the White Nile State, which may also be made in the wider refugee response in other parts of Sudan. Despite significant challenges, including limited humanitarian access and funding constraints, the evaluation found that UNHCR had improved its coordination of the response, particularly following the launch of the Refugee Coordination Forum in 2016. It also concluded that there was a need to engage more effectively with development actors. UNHCR had ensured the delivery of critical life-saving assistance – particularly in the water and nutrition sectors – but improvements of the emergency standards for sanitation, shelter and education were also required. The evaluation also found that UNHCR had kept protection at the centre of its operations, but recommended that UNHCR do more to promote protection mainstreaming through awareness-raising, capacity-building, integrated approaches, and community-level feedback and complaints systems. It further recommended working towards the development of more long-term and multi-year strategies.

- The Rohingya refugee influx into Bangladesh that began in August 2017 was declared a level-3 emergency, as was the situation of internal displacement of more than 1.4 million individuals in the Democratic Republic of Congo's Kasai region. In line with the 2016 Policy on Evaluation, evaluations are carried out in the first 12 to 18 months of all level-3 emergency responses, and UNHCR plans to complete the evaluations of the two aforementioned emergencies in 2018. These will focus on the effectiveness and impact of UNHCR's efforts in delivering assistance and protection and advocating protection and solutions; its coordination role; and the quality and appropriateness of its middle to long-term strategies and plans.

7. *Protection Delivery:* The two centralized evaluations completed in 2017 and 2018 that related to protection delivery, as well as the ongoing decentralized evaluations, are examining how protection activities can be improved in UNHCR's response to refugee and internal displacement situations.

- The centralized evaluation of the global strategies on education, the prevention of and response to SGBV and the protection of children found that the strategy on SGBV and the framework on child protection were mutually reinforcing and had a positive influence on country-level programming. The findings also indicated a qualitative shift in education programming towards increased refugee inclusion into national systems and continuous learning; however, the challenges of measuring outcomes make it difficult to draw clear conclusions. In its response to the evaluation, senior management accepted the recommendation on improving the measurability of future strategies to ensure a more effective operational application, including in light of the current and future UNHCR RBM system.

- UNHCR's Evaluation Service, together with the Regional Bureaux for the Americas and the Middle East and North Africa, as well as country offices, is conducting two country-level evaluations of activities on the prevention and response to SGBV in Brazil and Lebanon. These two evaluations are being carried out in recognition of the fact that effective programming on prevention and response to SGBV is a reliable indicator of the overall effectiveness of the response. They are designed to cover dedicated programming as well as mainstreaming and multi-sectoral interventions, which range from shelter and water, sanitation and hygiene (WASH) to access to education and livelihood opportunities. The evaluations are expected to generate evidence on how to scale up and maintain adequate capacity in the area of SGBV prevention, mitigation and response, including in different operational contexts and in different phases of a response – from emergencies to transitions to well-established operations. They also aim to ensure SGBV programming is better supported and informed by quality data and analysis.

- In response to a recommendation issued by the Board of Auditors in 2013, the Evaluation Service collaborated with the country office in Jordan to undertake an evaluation on the impact of cash-based interventions. In particular, it set out to measure the effect that UNHCR's cash programming has on the lives of Syrian refugees in Jordan and to examine the relationship between cash transfers and specific areas of vulnerability. The report generated useful evidence on the impact of cash on debt, access to services and negative coping strategies. For example, findings showed that debt was lower in households receiving cash from UNHCR. Cash led to a slight

increase in health expenditure and a significant one in education expenditure, with two thirds of respondents indicating that it had improved their psychological well-being. Families receiving cash from UNHCR were also less likely to use negative coping strategies or reduce the number of daily meals. The evaluation findings are helping inform UNHCR's cash strategy in Jordan, as the focus on meeting basic needs shifts to establishing linkages between cash and social protection outcomes. The Evaluation Service will also conduct two additional decentralized evaluations on cash-based interventions at the country level in 2018/19. One of these has already begun in Greece. Final reports are expected by the end of this year and early next year.

8. Between July 2017 and June 2018, the Evaluation Service commissioned several evaluations that examined the effectiveness of UNHCR's engagement with development actors and on durable solutions, which are particularly important in relation to the CRRF and the New York Declaration for Refugees and Migrants.

- In addition to providing support for the monitoring and evaluation of the application of the CRRF,[6] the Evaluation Service: i) commenced a three-year study on UNHCR's engagement with development partners, the private sector and other civil society partners to strengthen refugee response; ii) began an evaluation of country-level livelihood strategies and activities with a view to examine UNHCR's role as a convener/facilitator of the economic inclusion of persons of concern to the Office; and iii) is co-managing an evaluation of the Kalobeyei Integrated Social and Economic Development Programme in Kenya, which a partner has funded and commissioned. These evaluations will provide a rich and comprehensive evidence base for course corrections and strategic thinking on how to improve the economic and social inclusion of refugees and members of host communities.

- In collaboration with UNHCR's Regional Bureau for the Americas and the Regional Representation in Panama, the Evaluation Service is completing a decentralized evaluation of the protective transfer agreement in Central America to provide an evidence-based assessment of its results, strengths and weaknesses. It is also carrying out analysis on expenditure and identified areas for improvement. The evaluation is examining the protective transfer agreement programme as a tool to mitigate protection risks and find solutions for a small number of people with specific needs and who are at immediate risk in El Salvador, Guatemala and Honduras.

9. In close collaboration with relevant colleagues, the Evaluation Service is undertaking four evaluations covering three thematic areas: UNHCR's engagement with partners; coordination; and advocacy efforts.

- A completed evaluation focused on UNHCR's role as protection cluster lead in emergency responses to internal displacement. It found that UNHCR's leadership of country-level protection clusters has helped strengthen global leadership and advocacy in favour of protection, and provided support for field coordination and protection programming. However, the evaluation also found that while there had been efforts to enhance the effectiveness and predictability of leadership at the field level,

[6] The progress report will be released later this year.

significant work remained to be done in order to strengthen the performance of the global protection cluster. This is reflected in the commitments made in the formal management response to broaden the understanding of UNHCR's role as cluster lead with country offices, provide guidance for protection clusters on engaging with national governments and local actors respectively, and continue to review and invest in the relationship between the global protection cluster and specific areas of responsibility.

- In addition, there are two ongoing evaluations: one on the effectiveness and relevance of advocacy efforts in Europe, with the support of the Regional Bureau for Europe; and the other on UNHCR's approaches to developing and sustaining partnerships with the private sector for non-financial benefits. Both are expected to be completed in early 2019. An evaluation of coordination structures in refugee operations is also planned for late 2018. These three evaluations will yield evidence on how UNHCR can work more effectively with a wide range partners and the larger United Nations system to achieve common objectives.

10. In selected areas, UNHCR's effectiveness and efficiency as an organization will be evaluated in the course of 2018. These include: a) a completed evaluation of the phasing down of three offices in the Southern Africa subregion from 2014 through 2018 (completed in 2018); b) an evaluation of the global fleet management effort to manage light vehicles in the organization (completed in Q3 of 2018); c) an ongoing evaluation of the data and information management approaches used at UNHCR, especially at field level (to be completed in early 2019); and d) a planned evaluation of the approaches used by UNHCR's Global Learning Centre to build staff capacity (to be commissioned in Q4 2018). These four specific evaluations are producing robust evidence on how UNHCR can be more efficient and cost effective in managing resources and internal capacities. The evaluation in the Southern Africa subregion found how early planning for phasing down UNHCR's presence, including by working with governments and other partners, are important elements of its engagement, which warrants greater efforts and operational guidance and capacity development.

11. In keeping with the High Commissioner's strong commitment and organizational measures to prevent all forms of sexual exploitation and abuse and sexual harassment, the Senior Coordinator on the Prevention of and Response to Sexual Exploitation and Abuse and Sexual Harassment, the Emergency Task Force chaired by the Deputy High Commissioner and the Evaluation Service are undertaking an evaluative review of UNHCR's policies and approaches on the prevention of sexual exploitation and abuse to ensure that policies and measures are guided by the highest United Nations standards. This report will be finalized by the end of this year.

IV. Progress on the Evaluation Strategy (2018-2021)

A. Increasing the coverage and quality of evaluation

12. As noted earlier, 2018 marked the first year in which the Evaluation Service made its annual programme of work public. The programme is ambitious, aiming to commission 20 evaluations in 2018, a four-fold increase from 2017. This significant increase is in keeping with recommendations issued by the Board of Auditors in 2013, the United Nations Office of Internal Oversight Services (OIOS) and the Joint Inspection Unit, which noted that the quality and coverage of evaluations in UNHCR need to be enhanced in line with United Nations standards.

13. UNHCR's expanded evaluation coverage requires a greater commitment and further efforts from senior leadership and country teams, in addition to the work of the Evaluation Service and the resources needed. The support of senior managers and Representatives in operations around the world has been notable in this regard. Their participation in the annual survey and related discussions on the programme of work has been active, while access to information, data and stakeholders for interviews has also been provided. This has demonstrated to UNHCR staff the value of being open and accepting of scrutiny and critical analysis.

14. Moreover, greater coverage has been achieved through both decentralized and centralized evaluations. While evaluation capacity is being built across the organization, the Evaluation Service has made itself available to all requests for support for decentralized evaluations, including financial, technical and quality assurance. In the coming years, the Service intends to expand coverage more significantly through decentralized evaluations. With this in mind, the Evaluation Service is working with the Global Learning Centre, the Division of Programme Support and Management and the Change Management Team to plan for evaluation expertise in the field as well as at Headquarters. The Evaluation Service at Headquarters will therefore remain lean in the foreseeable future.

B. Improving the utilization of evaluations

15. Utilization-focused evaluations are one of the primary underpinnings of the Evaluation Strategy (2018-2021). They are critical to UNHCR's shift towards more evidence-based decision-making and a greater degree of confidence in processes of reflection and course correction based on lessons learned. The Evaluation Service works closely with relevant bureaux, divisions and field offices to ensure that evaluation findings and recommendations have an impact on decision-making and course correction.

16. Since last year, the Evaluation Service has introduced two methodological approaches, primarily to generate greater utilization of evaluations. These include the introduction of longitudinal evaluations which are designed to accompany a programme or intervention as it is being carried out. Such evaluations gather evidence as a programme unfolds and allow external evaluators to offer course corrections, insights and recommendations on an interim basis. The longitudinal evaluations of the humanitarian-development nexus and the Bangladesh level-3 evaluation are two very different examples of this approach.

17. Another methodology introduced related to evaluations that help inform strategy development; these formative evaluations include contextual analysis, establishing benchmarks set against the standards of other similar agencies, and literature reviews. The evidence generated, along with analysis of UNHCR's programming, is then expected to be used to develop recommendations for UNHCR's strategic directions.

18. Management responses have been completed in a timely manner for all evaluations finalized during the reporting period and placed in the public domain as soon as they are ready.[7] As per the Evaluation Policy, one member of the Senior Executive Team who is assigned by the High Commissioner is accountable for the management response of all centralized evaluations, while Directors or Representatives are accountable for the management responses for all decentralized evaluations.

19. Finally, the Evaluation Service held multi-stakeholder meetings or workshops in country offices and at Headquarters during evaluation processes to promote learning,

[7] See www.unhcr.org/evaluation-and-research.html.

discuss findings and prioritize recommendations. These workshops offered external evaluators an additional opportunity to validate findings and develop recommendations together where possible.

C. Building UNHCR's evaluation capacity

20. The Evaluation Strategy focused on four actions to improve capacity: i) conduct an annual consultative process with management to select evaluation topics; ii) introduce rapid evaluations which are narrower in scope and involve UNHCR staff as peers to build capacity; iii) develop field proficiency when undertaking decentralized evaluations; and iv) hire independent evaluation consultants as roving, surge capacity on an interim basis to support the field in carrying out decentralized evaluations. In addition, the Evaluation Service has reached out to UNHCR's Global Learning Centre to develop evaluation-focused learning material. This will be introduced in existing and stand-alone learning programmes.

21. During the reporting period, progress was achieved against the four objectives. The annual consultative process supported discussions among 150 senior managers and staff with various functions and at different grade levels, both in the field and at Headquarters. They examined the purpose and usefulness of evaluation not only to improve programme delivery but to develop strategy, learning and improved accountability to attain results. Peer involvement of staff took place in two evaluations during the reporting period, and increased efforts were made to engage UNHCR staff in all evaluations to increase both capacity and utility. Consultants were hired and supported the Evaluation Service during several decentralized evaluations and helped disseminate information about evaluation processes and methodologies to UNHCR staff.

22. The service is now collaborating with the Global Learning Centre to develop a learning strategy to strengthen the evaluation capacity of UNHCR staff across functions and grades. The focus of this learning strategy differs based on the job family; for some, building awareness of what evaluation entails and how evaluations are used for decision-making, advocacy and accountability will be prioritized. For others, the focus will be on developing knowledge and skills on how to plan and manage different types of evaluations, internally or jointly with other agencies. Relevant existing learning programmes have been identified, and the Evaluation Service is reviewing these materials to update training content.

D. Linkages with internal and external efforts related to evaluation

23. Although the Evaluation Service is a stand-alone, independent Service, it coordinates with several other oversight functions such as audit, strategic oversight and the Inspector General's Office in order to be relevant and effective. It also works with data and analytics, RBM, and strategic planning and programme design functions (such as the multi-year, multi-partner efforts) since these functions generate evidence and use such evidence in their own efforts.

24. The Evaluation Service and the UNHCR Internal Audit Service of the OIOS collaborate on annual workplans to explore synergies and ensure that there is no unnecessary duplication or burden placed on operations during missions. Further, the two functions, while drawing on very different disciplines and methodologies, examine similar issues related to organizational effectiveness, strategy and efficiency, along with other oversight functions such as risk management and the Inspector General's Office. In order

to leverage these oversight functions, the different entities meet informally to exchange lessons learned and work on common themes.

25. The Evaluation Service offers advisory support to both the data team and the RBM revision project team to ensure that evaluation is an integral part of the overall efforts to link evidence with planning, course correction and strategic thinking. This is undertaken at the operational level as well as the organizational level. The Service also offers support on indicators and data collection approaches, particularly on impact and outcome data, which are often required in evaluations.

E. Management of the Evaluation Service

26. One of the critical first step in establishing the newly configured Evaluation Service was to ensure that a fully functional team had relevant skill sets and profiles. In order to equip the Office with the required high-quality technical expertise, in 2017/18, one external expert was identified and recruited, and two internal staff with experience with analysis, data management and research were appointed to join the Service. The team now comprises five professional staff, three of whom are external experts and two are internal staff. This helps ensure that a range of technical expertise and familiarity with UNHCR's mandate and programmes is available. The externally recruited Head of Service took up her position in June 2017, and support staff complete the team.

27. In order to conduct evaluations in a more efficient and cost-effective way, the Service also worked closely with the Procurement Service to prepare long-term agreements with 15 firms specializing in evaluation following a competitive tendering process. These firms have been pre-approved to provide quality evaluation services to UNHCR for an initial period of five years.

V. External relations and inter-agency evaluations

28. The Evaluation Service has continued to participate in several inter-agency and external evaluation bodies. It is an active member of the Inter-Agency Humanitarian Evaluation Steering Group and participated in the evaluation practice exchange and annual general meeting of the United Nations Evaluation Group (UNEG) in May 2018. The Service is also the co-convener, together with the World Food Programme, of the UNEG Humanitarian Evaluation Interest Group. In this capacity, it co-led a mapping exercise with the Food and Agriculture Organization and the World Health Organization to examine evaluations on the humanitarian-development nexus in the past 8 to 10 years and offer reflections on the extent to which they generated evidence on how to deliver on collective outcomes and overcome the humanitarian-development divide.[8] In addition, the Evaluation Service served as UNHCR's focal point in the Active Learning Network for Accountability and Performance in Humanitarian Action (ALNAP), participating in its annual meeting and liaising with the network on relevant issues.

29. During the reporting period, the Inspection and Evaluation Division of OIOS conducted the 2018 triennial review of UNHCR's 2015 evaluation of programming on durable solutions. The Evaluation Service helped coordinate this review, acting as the focal point for internal and external stakeholders and making relevant arrangements. OIOS formally presented the triennial review at the June 2018 session of the Committee for

[8] The UNEG-Humanitarian Evaluation Interest Group mapping of evaluations on the humanitarian-development nexus are available from www.uneval.org/document/detail/2120.

Programme and Coordination in New York, which expressed support for UNHCR's leadership and the work that it has undertaken. OIOS had, until 2017, conducted programme evaluations of UNHCR on a yearly basis. As of 2018, OIOS has informed UNHCR of its decision to conduct UNHCR programme evaluations once every two years in recognition of the stronger planned evaluation capacity within UNHCR.

30. The Evaluation Service provides technical guidance and quality oversight on evaluations led by donors or partners working with UNHCR's divisions. The evaluations of the youth education programme and the Bill and Melinda Gates Foundation project, as well as the impact evaluation of grants on forced displacement from the United Kingdom's Department of International Development and the World Bank are examples of such support. In addition, the Evaluation Service helped strengthen the design and analysis of the joint programme operating model review of the Joint United Nations Programme on HIV/AIDS that was recently completed in June 2018.

31. The Multilateral Organization Performance Assessment Network (MOPAN) has launched the new 2017-2018 assessment cycle, and UNHCR will be assessed during this cycle. In this regard, the Evaluation Service is providing full support and input as needed.

VI. Supplementary activities related to knowledge management and research

32. The Evaluation Service is committed to supporting independent research on a wide-range of themes relevant to decision-makers, UNHCR staff and partners, – as well as to refugees themselves – on issues concerning persons of concern to UNHCR and forced displacement. The Evaluation Service will continue to cooperate and support independent research and research publications such as the Forced Migration Review. In addition, the Evaluation Service continues to engage with academic institutions, individuals and networks, as well as think tanks and other thought leaders, with a view to complementing UNHCR's own publications, such as the New Issues in Refugee Research. These initiatives feed into the global efforts set out in the New York Declaration and the proposed global compact on refugees.

33. During the period from July 2017 through June 2018, UNHCR supported the issuance of three issues of the Forced Migration Review on: the situation of forced displacement in Latin America and the Caribbean; Syrians in displacement; and economies and work for displaced people, mainly refugees. A memorandum of understanding signed between UNHCR and the Forced Migration Review in March 2018 helped formalize existing practices in support of the research publication in a number of areas. As part of UNHCR's New Issues in Refugee Research series, a report entitled "Working towards inclusion – Refugees within the national systems of Ethiopia" was published, as was the Evaluation Service's review of UNHCR's approaches to engagement with communities hosting large numbers of refugees. This review examined the extent to which UNHCR's current policies, strategies and programmes are appropriate and applicable in these settings, and found that actual practice varied according to the context.

34. Finally, the Evaluation Service has engaged with external stakeholders to enhance research conducted by the Oxford Refugee Studies Centre on refugee economies and perceptions monitoring surveys collected in support of the "grand bargain".

35. In conclusion, the Evaluation Service's expanded scope of work reflects the strong leadership commitment towards increased accountability and enhanced learning.